

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36289]

3i RR Holdings GP LLC, 3i Holdings Partnership L.P., and 3i RR LLC—Control
Exemption—Regional Rail Holdings, LLC

3i RR Holdings GP LLC, 3i Holdings Partnership L.P., and 3i RR LLC (3i RR),¹ all noncarriers, have filed a verified notice of exemption under 49 C.F.R. § 1180.2(d)(2) to acquire control of Regional Rail Holdings, LLC (Regional Rail), a non-carrier holding company that indirectly controls three Class III rail carriers: East Penn Railroad, LLC; Middletown & New Jersey Railroad, LLC; and Tyburn Railroad LLC (the Subsidiary Railroads).² According to the verified notice, 3i RR intends to acquire 100% of the equity interests of Regional Rail in a transaction in which 3i RR's wholly owned noncarrier subsidiary, Coltrane Merger Sub, LLC, will merge with and into Regional Rail, with Regional Rail continuing as the surviving entity and as a wholly owned subsidiary of 3i RR.

¹ The verified notice states that 3i RR Holdings GP LLC controls 3i Holdings Partnership L.P., which in turn controls 3i RR, and that none are carriers or are affiliated with carriers.

² In Regional Rail Holdings, LLC—Acquisition of Control Exemption—Regional Rail, LLC, Docket No. FD 35945, Regional Rail acquired control of Regional Rail, LLC, a holding company for the Subsidiary Railroads.

The transaction is expected to be consummated on or after May 5, 2019, the effective date of the exemption.³

The verified notice states that: (i) the Subsidiary Railroads do not connect with each other; (ii) the subject acquisition of control is not intended to connect the Subsidiary Railroads with any railroad in the corporate family of 3i RR Holdings GP LLC, 3i Holdings Partnership L.P., and 3i RR; and (iii) the transaction does not involve a Class I carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. § 11323. See 49 C.F.R. § 1180.2(d)(2).

Under 49 U.S.C. § 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. However, 49 U.S.C. § 11326(c) does not provide for labor protection for transactions under 49 U.S.C. §§ 11324 and 11325 that involve only Class III rail carriers. Because this transaction involves Class III rail carriers only, the Board, under the statute, may not impose labor protective conditions for this transaction.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions to stay must be filed no later than April 26, 2019 (at least seven days before the exemption becomes effective).

³ On April 5, 2019, 3i RR Holdings GP LLC, 3i Holdings Partnership L.P., and 3i RR filed a motion for protective order under 49 C.F.R. § 1104.14(b), which will be addressed in a separate decision.

An original and 10 copies of all pleadings referring to Docket No. FD 36289, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Louis E. Gitomer, Law Offices of Louis E. Gitomer LLC, 600 Baltimore Ave., Suite 301, Towson, MD 21204.

Board decisions and notices are available at www.stb.gov.

Decided: April 15, 2019

By the Board, Allison C. Davis, Acting Director, Office of Proceedings.